ANNUAL REPORT

for the fiscal year
ending March 31, 1989

Department of Housing

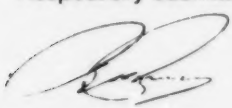
90-06940/

To His Honour
The Honourable Lloyd R. Crouse, P.C.
Lieutenant-Governor of Nova Scotia

May It Please Your Honour:

I have the honour to submit the Annual Report of the Nova Scotia Department of Housing for the fiscal year April 1, 1988 to March 31, 1989.

Respectfully submitted,



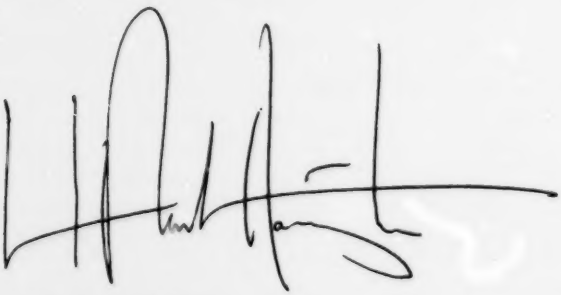
Roger S. Bacon
Minister of Housing

To the Honourable Roger S. Bacon
Minister of Housing

Sir:

I have the privilege on behalf of the Department of Housing to present my report on the work of the Department for the fiscal year 1988-1989.

Respectfully submitted,



M.H.F. Harrington
Chairman
Nova Scotia Housing Development Board

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HOUSING DEVELOPMENT BOARD

Members

M.H.F. Harrington, Chairman
L.G. Stephen, Deputy Minister
M.E. Stanbury
J.B. Sawyer
C.R. Gallant
C.J.A. Holman

DIRECTORS

R.E. Boyd, Director of Finance
E.A. Clarke, Director of Planning Services
D.W. Kerr, Director of Program and Property Management
M.D. MacGray, Director of Administration

INTRODUCTION

Nova Scotia enjoys the unique status of having been the site of the first permanent habitation for European settlers in North America. From those first days in Port Royal the province has enjoyed a diverse heritage. Significantly, that heritage has given us one of the oldest housing stocks in the nation today, and one that has a larger percentage of older houses than most other provinces. Accordingly, it has been traditional for Nova Scotians to hold near and dear the notion that our homes are at the centre of our social fabric and very important to us.

It was the provincial housing report of the 1930s that indicated an extreme shortage of proper housing for lower-income families in Nova Scotia. As a result, their social and physical well-being was deteriorating. This report provided the government of the day with the desire to improve the living conditions of its constituents.

The Nova Scotia Housing Commission was created in 1932 to help meet this challenge. To improve the delivery of housing in the province, the Commission became the Nova Scotia Department of Housing on November 9, 1983, as a result of the proclamation of Bill 66, "An Act Respecting Housing."

The mandate of the Department—to contribute to the creation of dwelling units for many different groups of Nova Scotians needing assistance—requires that the programs offered be diversified. The growing needs of special interest groups such as seniors, the handicapped, and low- to middle-income families are addressed in the variety of housing options now available here in Nova Scotia.

The housing construction industry must be strong in order for Nova Scotia's economy to grow and prosper, and a leading indicator of this industry's strength is housing starts. Total housing starts for 1988-89 were 5,338.

Through a wide range of programs designed to assist Nova Scotians in obtaining suitable housing, the Department continued to move forward in achieving its mandate.

The Senior Citizens Assistance Program allows seniors to undertake needed home repairs and thus be able to remain in their own homes. During the year, 130 seniors were assisted under this program. The Department is also a contributor to the Coordinated Home Care Program.

which provides assistance to seniors who wish to remain in their own homes.

The Access-A-Home Program continued to adapt homes of the physically handicapped to become architecturally barrier-free. During the 1988-89 fiscal year, 94 applicants were assisted under this program.

The Small Loans Assistance Program continued to help homeowners with moderate incomes undertake needed repairs. During the year 212 applicants received assistance.

The Provincial Housing Emergency Repair Program provides financial assistance to families for emergency repairs to their homes. During the year 643 applicants were assisted under this program.

The Department of Housing provides assistance to moderate-income families to achieve home ownership through the Self-Help Housing and other home ownership programs. During the 1988-89 fiscal year 160 families benefitted under the Self-Help Program. In addition, 225 received mortgages under the Second Mortgage Program, 64 under the Shell Housing Program, 13 under the Lease Purchase Program, 94 under the Family Benefits Program, and 117 under the Family Modest Program.

The need for affordable rental accommodation, especially in the metropolitan Halifax-Dartmouth area, continued to be addressed during 1988-89. Under the federal-provincial Rent Supplement Program 126 apartment units were made available. Rental accommodation is also provided under the Apartment Creation Program of the Department of Housing. During the year, 14 units were made available under this program.

Another successful annual Nova Scotia Home Awards Competition resulted in the greatest number of submissions to date. This program acknowledges excellence in housing design, innovation, and renovation/restoration. Designs were submitted by both housing professionals and lay people and were evaluated on a number of criteria, including originality, use of indigenous Nova Scotia materials, energy conservation, cost, and financial packaging.

Each year in March the Department holds Housing Education Week, which affords the opportunity for Department staff to liaise with both the public and the residential construction industry to ensure that this sector of the provincial economy remains productive and beneficial to all Nova Scotians.

ORGANIZATION

The Department of Housing is organized into four divisions: Administration, Program and Property Management, Planning Services, and Finance. Legal Services and Internal Audit are provided through the Office of the Deputy Minister.

Administration Division

The Administration Division provides all support services for the Department. These activities relate to four functional areas: Administrative Services, Staff Services, Records Management, and Management, Information Systems. Public relations management, promotion, and information services are provided through the office of the Director.

The Administrative Services Section ensures that a coordinated approach is developed for all initiatives undertaken that have implications for the entire Department. These relate to office facility and space management, administrative staff services support for the Housing Development Board, policy and procedure development, purchasing, and inventory control measures.

The Records Management Section ensures that records are handled in a planned system through a centralized records entry and retrieval system. This includes the care and custody of all documents and records, circulation control, final disposition of records, and coordination of micrographic services. This section is also responsible for courier services and supplies.

The Staff Services Section provides assistance and advice to senior management in achieving the most effective and efficient use of allocated human resources. Specific activities include the provision of comprehensive staff and personnel administration records, management development initiatives, short-term employment opportunities, and a full range of personnel policy and procedure statements.

The Management, Information Systems Section ensures that a comprehensive range of systems and services is developed and implemented to provide for design, development, installation, and ongoing support of all computer systems within the Department and for each of the 43 housing authorities within the province.

Program and Property Management Division

The Program and Property Management Division comprises head office staff in Dartmouth and regional office staff in Sydney, New Glasgow, Bedford, and Middleton. There are district offices in Amherst and Liverpool, with a field office in Port Hawkesbury. There are also sales offices located in the Baille Ard Subdivision in Sydney and the Millwood Subdivision in Middle Sackville.

The division liaises with other provincial departments and agencies and federal departments on issues related to housing policy matters.

This division is divided into two sections: property administration and program administration.

The *Property Management Section* is responsible for managing the departmental real estate portfolio, including all aspects of land administration from acquisition through to disposal. It provides the lead role in managing the provincial housing authorities by setting policy and procedure guidelines and overseeing their operation.

The *Program Management Section* is responsible for the delivery of all Department of Housing programs in the province. The section formulates policies and procedures relating to the programs and their delivery; these are completed in consultation with other divisions and with the public.

This section also acts as a housing information resource in the community. To achieve this, policies and procedures relating to program delivery are formulated in consultation with other divisions of the Department and the public.

Together with Canada Mortgage and Housing Corporation and the Department's planning division, Program and Property Management implements federal/provincial cost-shared programs, including family and seniors public non-profit, special care, lease-purchase, and rent supplement programs.

In addition, Program and Property Management is responsible for delivering the housing programs financed exclusively by the Province, including Senior Citizens Assistance, Provincial Housing Emergency Repair, Small Loans Assistance, Land Sales, Access-A-Home, Parent Apartment, Apartment Creation, Family Benefits, Second Mortgage, Self-Help, and Shell Housing programs.

Planning Services Division

The Planning Services Division provides the professional and technical services required by the Department in the fields of planning (strategic land use), architecture, and engineering. These services include the following:

— long-range strategic planning incorporating statistical analysis, research, preparation of housing studies and reports, housing policy development, and capital program preparation

— community planning incorporating master planning subdivision design and survey work, processing of municipal approvals, and transfer of servicing systems

— architectural services incorporating site selection, conceptual design, tender documents, job monitoring, and hiring and overseeing outside design consultants

— engineering services incorporating design, construction drawings, tender documents and contract preparations, establishment of engineering standards, and advising and serving housing authorities on technical issues.

Finance Division

The Finance Division is responsible for all financial and accounting matters within the Department of Housing and is responsible for the development and monitoring of standard accounting and reporting systems relating to 43 housing authorities throughout the province. The division's responsibilities for accounting systems include: capital expenditures detailed by cost element, recoveries, subsidies, mortgage accounting, order-in-council commitment accounting, cost sharing, and cost accounting.

The division operates on an approval system for all capital operating and subsidy expenditures, inputs payment data to the Department of Finance computer, and disburses cheques to creditors. Division staff assume responsibility for the administration of a mortgage and loan portfolio in excess of $100 million, which includes payment of taxes and making certain that the security is insured against fire, and they receive and deposit all mortgage, program, and miscellaneous payments.

The division also coordinates the preparation of annual operating, subsidy, and cash flow budgets for the Department and monitors actual performance against these budgets during the year. The staff are also responsible for all credit and collection policy and head office collection activity, including the initiation of foreclosure and judgment action.

Under the Nova Scotia Housing Development Corporation the Finance Division maintains all financial records for the corporation relative to its raising of private sector financing for programs.

Housing Development Board

The Department of Housing operates with a body known as the Housing Development Board. Comprising members appointed by the Governor-in-Council and including the deputy minister, the Board reviews all loan and grant submissions. It follows established program policy and procedural guidelines and may recommend approval, rejection, or deferral. The Board may also carry out other duties as the Minister of Housing prescribes.

NOVA SCOTIA DEPARTMENT OF HOUSING OFFICES

Head Office
Royal Bank Building
46 Portland Street
P.O. Box 815
Dartmouth, N.S.
B2Y 3Z3

Telephone 424-4483

Cape Breton Regional Office, serves
Provincial Building
360 Prince Street
P.O. Box 1267
Sydney, N.S.
B1P 6J9

—Cape Breton County
—Inverness County
—Richmond County
—Victoria County

Telephone 563-2120 or toll-free 1-563-2135

Port Hawkesbury Field Office, serves
Provincial Building
P.O. Box 149
Port Hawkesbury, N.S.
B0E 2V0

—Port Hood
—Louisdale
—River Denys

Telephone 625-0650

Baille Ard Sales Office, serves
661 Cottage Road
Sydney, N.S.
B1P 6W6

— Baille Ard Land Assembly (Operates on a seasonal basis)

Telephone 563-2136

Central Regional Office, serves
176 Archimedes Street
P.O. Box 481
New Glasgow, N.S.
B2H 5E5

—Antigonish County
—Colchester County
—Cumberland County
—Guysborough County
—Pictou County

Telephone 755-5065 or toll-free 1-752-0101

Amherst District Office, serves
144 East Victoria Street
P.O. Box 486
Amherst, N.S.
B4H 4A1

—Cumberland County

Telephone 667-1161

Metro Regional Office, serves
Suite 304
Bedford Towers
Bedford, N.S.
B4A 2X2

—Halifax County
—Hants County

Telephone 424-5110 or toll-free 1-424-5130

Millwood Village Sales Office, serves
1129 Sackville Drive
Sackville, N.S.
B4C 2S7

— Millwood Village Land and Sackville Lakes Land Assembly

Telephone 864-3232

Western Regional Office, serves
166 Commercial Street
P.O. Box 1000
Middleton, N.S.
B0S 1P0

—Annapolis County
—Digby County
—Kings County
—Lunenburg County
—Shelburne County
—Queens County
—Yarmouth County

Telephone 825-3481 or toll-free 1-825-3483

Liverpool District Office, serves
267 Main Street
P.O. Box 1660
Liverpool, N.S.
B0T 1K0

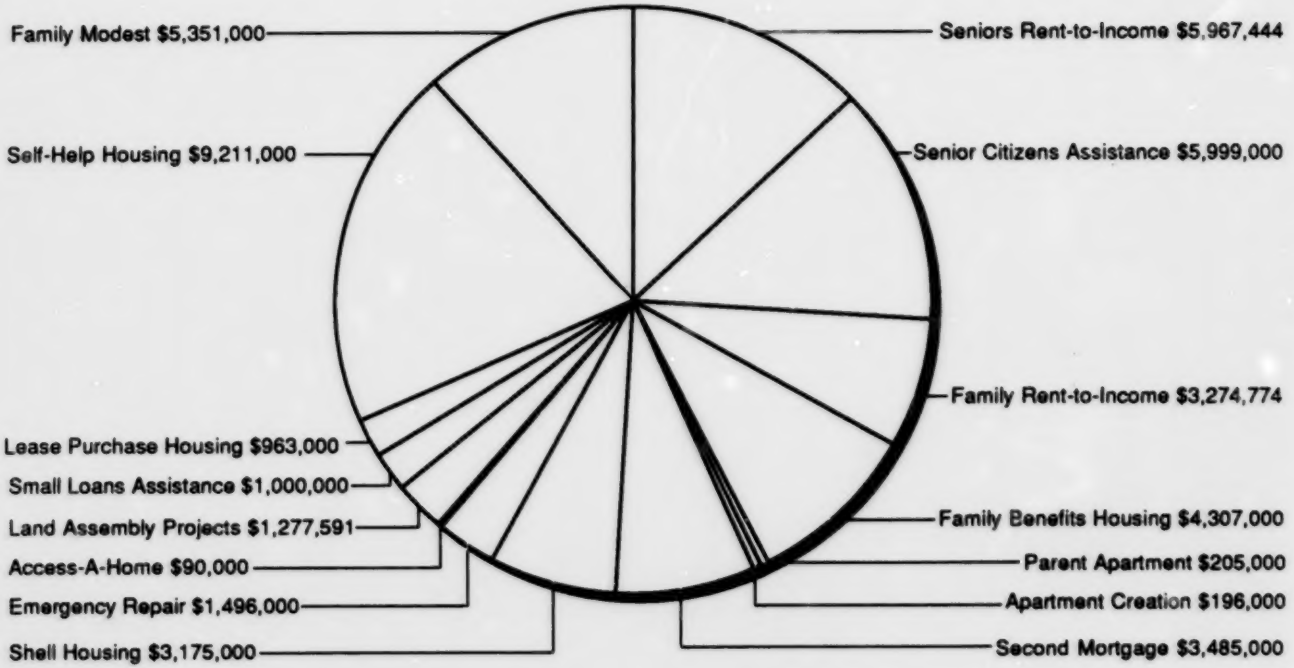
—Lunenburg County
—Shelburne County
—Queens County

Telephone 354-2116 or toll-free 1-354-2294

PROGRAM SUMMARY
1988-1989

	Number of Approved Applicants (Units)	Funds Approved
Senior Citizens Rent-to-Income	130	$5,967,444
Family Rent-to-Income	60	$3,274,774
Rent Supplement	126	
Lease Purchase Housing	13	$963,000
Self-Help Housing	160	$9,211,000
Family Benefits Housing	94	$4,307,000
Parent Apartment	16	$205,000
Apartment Creation	14	$196,000
Second Mortgage	225	$3,485,000
Shell Housing	64	$3,175,000
Emergency Repair	643	$1,496,000
Access-A-Home	94	$90,000
Small Loans Assistance	212	$1,000,000
Senior Citizens Assistance	2,217	$5,999,000
Land Assembly Projects	26 lots	$1,277,591
Family Modest Housing	117	5,351,000
Total	4,211	$45,997,809

Nova Scotia Department of Housing
Program Expenditures
1988-89



HOUSING STARTS
1980-1989

April 1-March 1[a]	NSDH-Sponsored[b] Housing Starts	Total Provincial Housing Starts
1981	615	3,738
1982	1,077	3,716
1983	720	3,670
1984	677	5,631
1985	554	4,942
1986	550	7,007
1987	1,502	7,249
1988	973	6,373
1989	902	5,338[c]

a) For example, 1981 represents starts between April 1, 1980, and March 31, 1981.

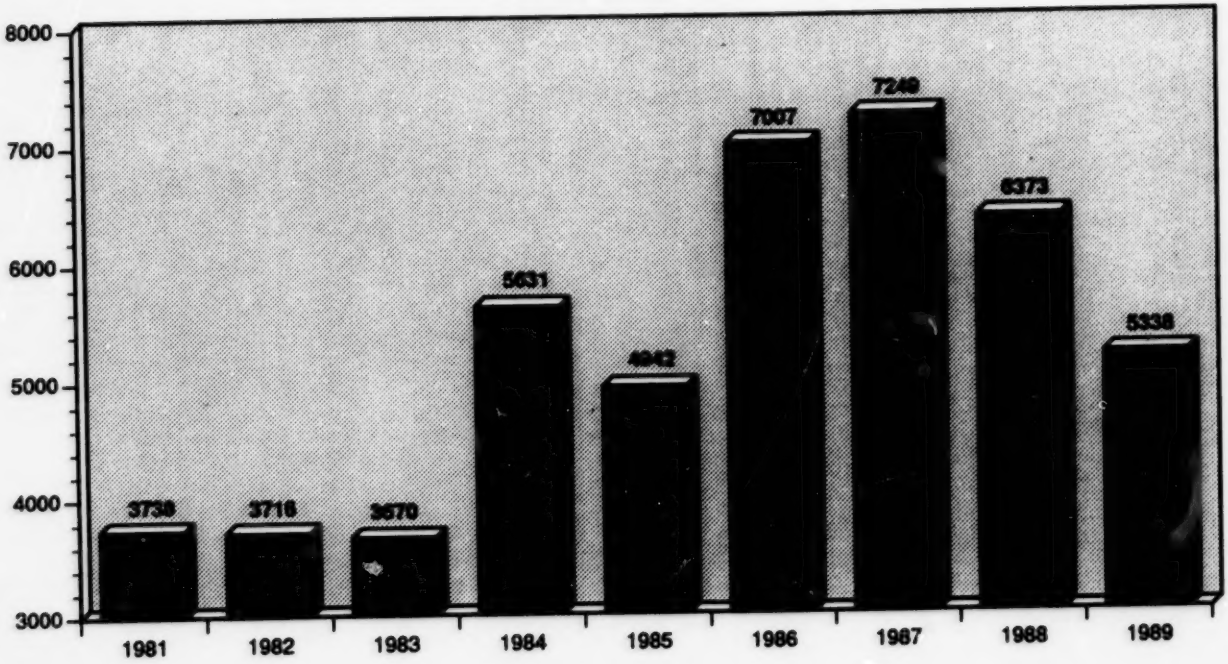
b) Represents a combination of tender awards and application approvals for Senior Citizens and Family Unit Public Housing, Self-Help, Lease Purchase, Shell Housing, Family Benefits, Family Modest, Student Housing, Special Metro-Demo, Non-Profit Special Purpose, Small House Starter Home, Parent Apartment, Second Mortgage, Apartment Creation, Residential Intensification, and Rent Supplement programs.

c) Figures include preliminary starts for the period January to March 1989 for all of Nova Scotia.

Province of Nova Scotia

Total Housing Starts: 1981-1989

(April 1 to March 31)



HOUSING AUTHORITIES

All new and existing Senior Citizens and Family Unit Public Housing projects built under Sections 40, 43, 44, and 56.1 of the National Housing Act are managed by a local or regional housing authority. Housing authorities have been established by provincial orders-in-council to manage, maintain, and administer these projects.

Authorities act independently within the policies contained in the Public Housing Operations Manual and the Housing Authority Agreement. This agreement is made between CMHC, the Department, the relevant authority, and the municipality in which the units are located.

The Public Housing Operations Manual ensures that the basic policies are implemented uniformly throughout the province and allows the authorities the freedom to deal with situations unique to each community.

The number of members appointed to a housing authority is established by each individual order-in-council. Appointments to the authority are made by the Minister of Housing on recommendations of a nominating committee representing all participating levels of government. If a regional authority serves more than one municipality, the appointees are nominated by the relevant municipal councils involved and by the federal and provincial ministers. Elected individuals holding federal, provincial, or municipal office are not eligible to sit on housing authority boards.

There are 43 housing authorities across the province administering over 10,000 units.

HOUSING FOR SENIOR CITIZENS

The senior citizens public housing program provides inexpensive, pleasant living accommodations for Nova Scotia's senior citizens.

Applicants must be 58 years of age or over and able to maintain their own apartments. Entry is not restricted, but priority is extended to individuals in the lower-income levels through a point rating system. Points are awarded based on the applicant's income, health, and present living conditions. Each applicant must have resided in the particular community of application for 12 consecutive months within the last three years.

The rent is based on the gross family income of tenants. The rent-to-income scale currently ranges between 16.7 per cent and 25 per cent of gross income.

Senior citizens public housing projects are built under a federal-provincial partnership agreement through Section 56.1 of the National Housing Act. The capital cost is raised 100 per cent through private sector lenders, with a 100 per cent CMHC loan guarantee. Any operating losses are shared 75 per cent by CMHC, with the remaining 25 per cent being divided between the Province and the municipality. During the actual construction of each project, the Department is responsible for acquiring the land, tendering the project contracts, designing the project, and overseeing all aspects of the construction process.

As with family public housing units, once projects are completed they are turned over to the local housing authority to administer. These authorities are responsible for tenant selection, rent collection, project staff supervision, and daily operating matters.

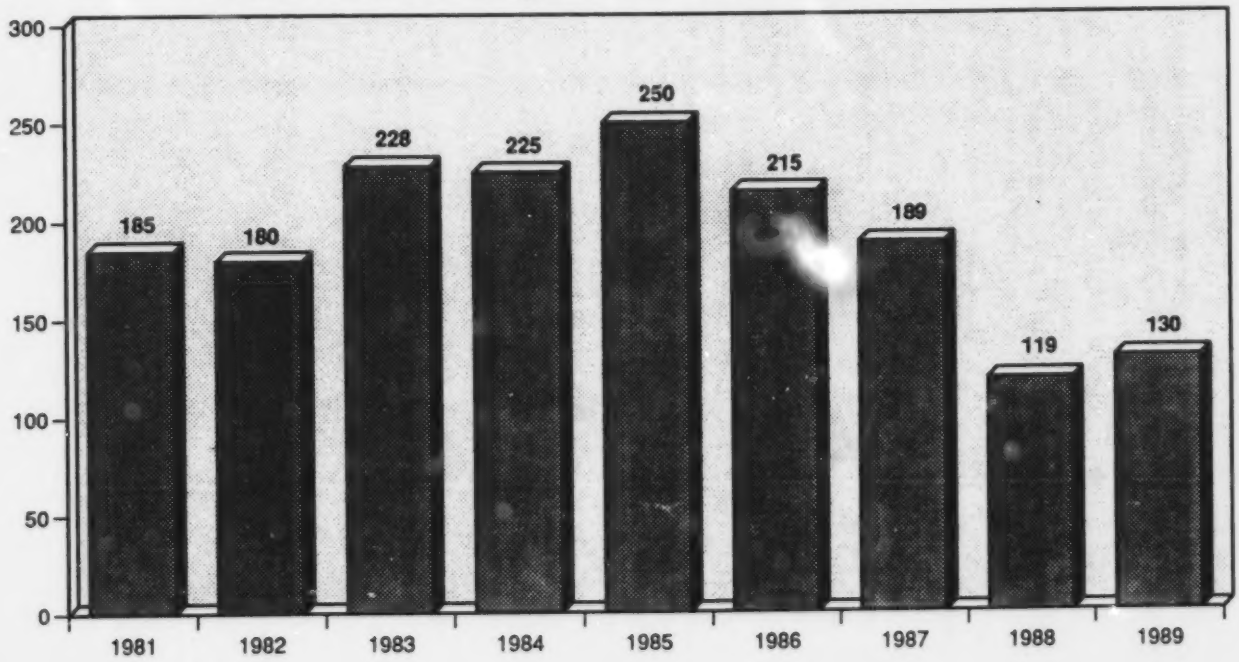
During the 1988-89 fiscal year, 130 units were delivered to senior citizens in need.

RENT-TO-INCOME HOUSING
TENDER AWARDS
APRIL 1/88 to MARCH 31/89

Location	Senior Citizen Units	Value
Inverness	15	$698,500
Yarmouth	16	$707,900
Truro Heights	15	$687,100
Amherst	14	$643,818
Bridgewater[a]	30	$1,389,000
Salmon River	15	$679,400
Centreville	10	$417,726
Glace Bay	15	$744,000
	130	$5,967,444

a) The Bridgewater units are "enriched" units. This refers to existence of special on-site services. such as constant medical care or meal preparation services. Enriched seniors residences are usually attached to an existing hospital or nursing care facility.

Nova Scotia Department of Housing
Rent-to Income Housing: Senior Citizens Units Delivered 1981-1989



HOUSING FOR FAMILIES

The Family Public Housing Program provides affordable, comfortable homes for families in the low- to medium-income range.

Prospective applicants are point scored for eligibility, and priority is given to those with the highest number of points. Points are awarded for a variety of reasons, such as the family's needs, income, amount of present rent, and the condition of present accommodations. Applicants must also have been residents in the particular community for 12 consecutive months within the last three years.

Rent is based on the gross family income of the tenants. The rent-to-income scale currently ranges between 16.7 and 25 per cent of gross income, with appropriate reductions for services not provided and for each child.

Family Public Housing projects are built by the Department and Canada Mortgage and Housing Corporation through Section 56.1 of the National Housing Act. Capital costs of the projects are raised 100 per cent through private sector lenders with a 100 per cent CMHC loan guarantee. Any operating losses are cost-shared 75 per cent by CMHC, with the remaining 25 per cent being divided between the Province and the respective municipality (based on that municipality's ability to pay). During the actual construction of each project the Department is responsible for acquiring the land, tendering the project contracts, designing the project, and overseeing all aspects of the construction process.

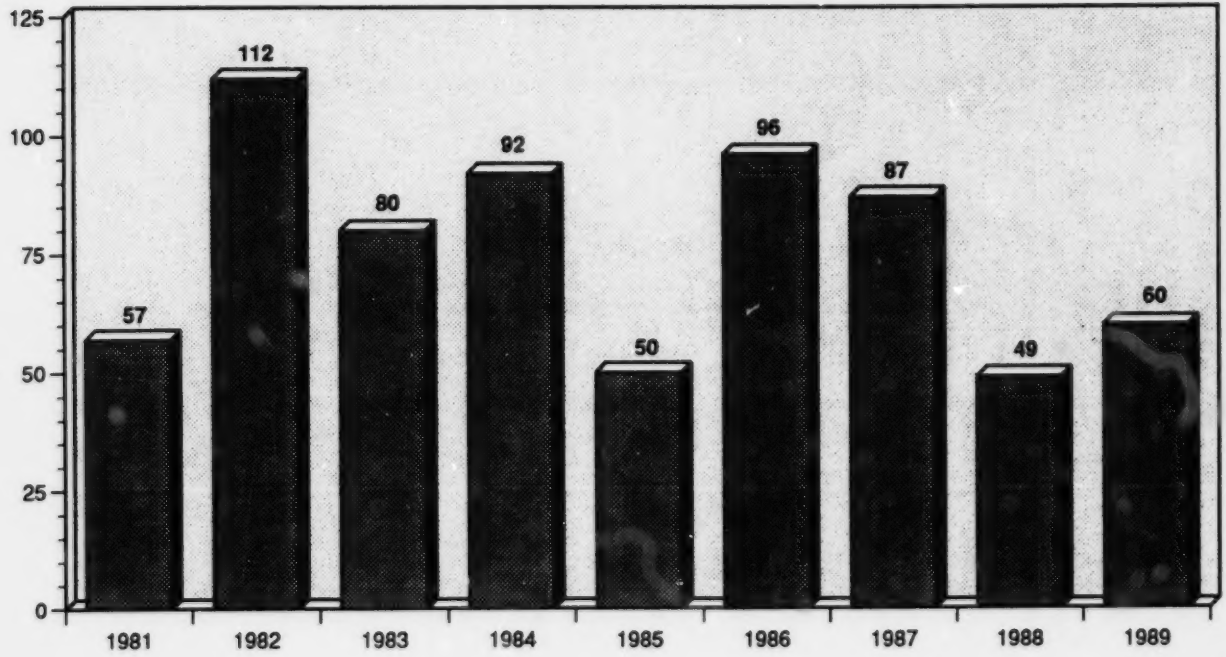
Once projects are completed, they are turned over to the local housing authority to administer. These authorities are responsible for tenant selection, rent collection, project staff supervision, and daily operating matters.

During the 1988-89 fiscal year 60 units were delivered under this program.

FAMILY RENT-TO-INCOME TENDER AWARDS APRIL 1/88 to MARCH 31/89

Location	Family Units	Value
Yarmouth	4	$ 259,960
Kings Co.	5	301,965
Dominion	2	93,260
West Hants	2	139,469
Sydney Mines	2	97,336
East Hants	2	138,886
Bedford	2	120,634
Yarmouth	4	221,312
Victoria County	2	129,800
Halifax County	2	135,000
Inverness	2	109,240
Springhill	2	103,500
Pictou	2	96,440
Arichat	2	101,000
Cherrybrook	2	126,500
Scotchtown	2	87,600
Kentville	4	205,718
Sydney	5	222,500
Bedford (demo)	4	202,700
Dartmouth	4	179,954
Truro	2	101,000
Salmon River	2	101,000
	60	$3,274,774

Nova Scotia Department of Housing
Rent-To-Income Housing: Family Units Delivered 1981-1989



LEASE PURCHASE HOUSING PROGRAM

The Lease Purchase Housing Program is designed to help low- and middle-income families acquire homes of their own through a subsidized rental system.

Homes must be single-family dwellings, newly constructed or existing (never occupied). They may be detached, semi-detached, or one unit of row housing. House plans, specifications, and building lots are approved by the Department of Housing in accordance with CMHC regulations.

A lease purchase agreement allows eligible applicants to purchase a home within the first five years of occupancy at the original capital cost. After purchasing the home the tenant must remain in it for a further five years to qualify for all of the appreciated value.

The applicants pay approximately 25 per cent of their income as rent and are responsible for any ongoing maintenance and all utilities. The balance of the required payment is cost-shared by CMHC and the Department of Housing.

During the 1988-89 fiscal year, 13 units were delivered to eligible Nova Scotians.

1988-89
Lease Purchase Housing

Region	Approved Applicants	Mortgage Funds Approved
1	3	$224,000
2	0	—
3	6	$476,000
4	4	$263,000
Total	13	$963,000

SELF-HELP HOUSING PROGRAM

The Self-Help Housing Program provides mortgages to Nova Scotians who wish to build their own homes but find it difficult to do so in the private market. Loans are made to families whose combined income is within the established program guidelines. They must be able to afford homeownership, however.

The loan is payable over a maximum of 25 years. The maximum loan is also limited to monthly payments that do not exceed 27 per cent of the family's gross income.

All proposed building sites must be approved by the local municipal planning authority and the Department of Housing. Although the house design is the selection of the individual, it must meet the Department of Housing's guidelines for size and design.

Assistance in completing the necessary documentation, as well as technical help with the actual construction of the house, is provided free of charge by department staff.

During the 1988-89 fiscal year, 160 units were delivered to eligible Nova Scotians.

1988-89
SELF-HELP HOUSING

Region	Approved Applicants	Mortgage Funds Approved
1	52	$2,777,000
2	43	$2,551,000
3	48	$2,892,000
4	17	$991,000
Total	160	$9,211,000

FAMILY BENEFITS HOUSING PROGRAM

The Family Benefits Housing Program is a joint initiative between the Department of Housing and the Department of Community Services to provide modest housing to eligible applicants who are in receipt of the shelter component of provincial family benefits.

To be eligible for the program, applicants must have been residents of Nova Scotia for one year and must be in receipt of the shelter component of the provincial family benefits program. Eligible applicants may not own a home unless it is inadequate by virtue of its physical condition. To qualify for assistance, single individuals who apply must have a dependent. All work carried out must meet the requirements of municipal by-laws and regulations.

Under this program all loans must be used for the construction of a new housing unit or for the purchase and/or repair of an existing unit. Units are for the sole use and benefit of an applicant and his or her immediate family.

Maximum loan amounts are $45,000 for new construction and $40,000 for existing units, or an amount determined by the shelter component available and the prevailing interest rate at the time of mortgage approval. The amortization period of the mortgage may not exceed 25 years.

During the 1988-89 fiscal year, 94 units were delivered to eligible Nova Scotians.

1988-89
FAMILY BENEFITS PROGRAM

Region	Approved Applicants	Mortgage Funds Approved
1	26	$1,159,000
2	24	1,037,000
3	15	678,000
4	29	1,433,000
Total	94	$4,307,000

FAMILY MODEST HOUSING PROGRAM

The Family Modest Housing Program was initiated in 1987. Under the program financial assistance is provided to lower-income families for the construction or purchase of a modest home.

To be eligible, applicants cannot presently own adequate housing and must have a good credit rating. The gross yearly income for the family must not exceed $21,999.

A subsidy of up to $200 per month is available in warranted situations to reduce the required monthly mortgage payment. Applicants' monthly payment is between 20 per cent and 25 per cent of their gross income, determined by the amount of gross family income. The subsidy is subject to an annual income review.

The maximum mortgage available is $55,550, including mortgage insurance fee.

1988-89
FAMILY MODEST PROGRAM

Region	Approved Applicants	Mortgage Funds Approved
1	38	$1,710,000
2	38	1,714,000
3	4	206,000
4	37	1,721,000
Total	117	$5,351,000

PARENT APARTMENT PROGRAM

The Parent Apartment Program provides financial assistance to eligible homeowners to create a modest apartment unit within a principal residence for seniors related to the homeowner.

To be eligible an applicant must own real property. Loans are made only with respect to the permanent residence of the applicant. Upon completion of the unit the total outstanding charges against the property may not exceed 90 per cent of market value.

The unit created by the additional space to be renovated must include 120 square feet (11m²) for bedroom and storage facilities and may include bathing and minor food preparation areas. If bathing facilities are not included, easy access to existing facilities must be available.

Under the program the amount of the loan ranges from a minimum of $1,000 up to a maximum of $15,000. All loans are secured by a first or second mortgage; and the repayment loan may not exceed 10 years at an annual interest rate of 6 per cent.

During the 1988-89 fiscal year, 16 applicants received benefits under this program.

1988-89
PARENT APARTMENT PROGRAM

Region	Approved Applicants	Mortgage Funds Approved
1	4	$ 50,000
2	4	50,000
3	3	35,000
4	5	70,000
Total	16	$205,000

APARTMENT CREATION PROGRAM

The Apartment Creation Program provides financial assistance to increase the number of rental apartment units available to low- and moderate-income individuals or families. Actual work includes conversion and/or retrofit of existing structures or additions to them.

An applicant is an individual or a corporation registered to carry on business in Nova Scotia. The applicant enters into an agreement with the Minister of Housing respecting rents to be charged to tenants for a three-year period (and the manner of calculation). All loans are to be used for the creation of new apartment units, associated with an existing structure, and all work must comply fully with municipal by-laws and regulations.

The maximum loan under this program is $40,000, which is secured by a first or second mortgage. The mortgage is to be repaid over a term of not more than 10 years at an interest rate determined at the time of approval. The total of the first and second mortgages must not exceed 90 per cent of the appraised market value of the property after completion of the work.

During the fiscal year 1988-89, 14 units were delivered under this program.

1988-89
APARTMENT CREATION PROGRAM

Region	Approved Applicants	Amount of Loans
1	4	$105,000
2	0	0
3	10	91,000
4	0	0
Total	14	$196,000

SECOND MORTGAGE PROGRAM

Under the provisions of the Second Mortgage Program, financial assistance is provided to first-time homeowners for the downpayment to construct or purchase a modest home or condominium.

To qualify for the program, the applicant's household must consist of at least two persons and the gross family income must not exceed $45,000. The applicant cannot own a home at the time of application and must provide a minimum of $1,500 in equity.

To be eligible, existing housing units must not be older than 10 years, and the maximum purchase price must not exceed $85,000. Where the purchase price exceeds $75,000, the applicant's equity increases proportionately.

The Department of Housing provides a second mortgage of 25 per cent of the purchase price (less $1,500 equity) to a maximum amount of $17,250. The interest rate is established at the time of approval and is fixed for the term of the first mortgage. The amortization period for the second mortgage cannot exceed 15 years.

During the 1988-89 fiscal year, 225 applications were approved under this program.

1988-89
SECOND MORTGAGE PROGRAM

Region	Approved Applicants	Mortgage Funds Approved
1	1	$ 8,000
2	6	78,000
3	210	3,281,000
4	8	118,000
Total	225	$3,485,000

SHELL HOUSING PROGRAM

The Shell Housing Program was initiated in 1986. Under the program, financial assistance is provided to lower- and middle-income families for the construction or purchase of a new (never occupied) modest home. An underlying principle of the program is that such housing units may be occupied when construction is partially complete, and any outstanding work will be completed by the homeowner at a later date as financing permits.

To be eligible, applicants cannot own a home at the time of application. The household must consist of at least two persons, and the gross yearly income for the family must not exceed $30,000.

The maximum mortgage available to eligible applicants under the program is $55,550, including mortgage insurance fee. The mortgage interest is determined at the time of the loan approval.

A subsidy of up to $100 per month is available to reduce the monthly mortgage payment, including principal, interest, and taxes (P.I.T.), to 25 per cent of the gross family income. The subsidy is subject to an annual income review and decreases annually. The amount of the decrease is the greater of $10 per month per year or the difference between the original subsidy and the amount required to bring the mortgage payment to 25 per cent of the gross family income. The subsidy cannot be increased or reinstated beyond the original amount, and it can be received only by the original applicant and only for as long as that person owns and occupies the unit and is eligible to receive the subsidy.

During the fiscal year 1988-89, 64 units were delivered under this program.

1988-89
SHELL HOUSING PROGRAM

Region	Approved Applicants	Mortgage Funds Approved
1	20	$ 973,000
2	18	918,000
3	9	448,000
4	17	836,000
Total	64	$3,175,000

PROVINCIAL HOUSING EMERGENCY REPAIR PROGRAM

The Provincial Housing Emergency Repair Program (PHERP) provides one-time grants of up to $2,500 for labor and materials to applicants who cannot afford to do emergency home repairs. These repairs must be for items that pose a threat to the health of the applicant.

An applicant must own or have a life interest in the home, and priority is given to persons with an income of $6,000 per year or less. The home must be the principal residence of the applicant and a single-family unit, but it may be detached, semi-detached, a mobile home, or one unit of row housing.

During the fiscal year 1988-89, 643 applicants were helped under this program.

1988-89
PROVINCIAL EMERGENCY REPAIR PROGRAM

Region	Approved Applicants	Amount of Grants
1	123	$ 294,000
2	157	360,000
3	220	516,000
4	143	326,000
Total	643	$1,496,000

ACCESS-A-HOME PROGRAM

The Access-A-Home Program offers financial assistance for home renovations to individual applicants or members of the applicant's family who are confined to a wheelchair because of long-term disability. The grant amount varies according to the applicant's gross family income, with the maximum amount ranging from $750 to $1,350.

Program participants with a gross yearly income of $15,000 or less receive a grant of 90 per cent for the first $1,500 of approved work and materials in place. Participants with a gross yearly income from $15,001 to $30,000 receive a grant of 70 per cent of the first $1,500 of approved work and materials in place. Those with a gross family income of more than $30,000 receive a grant of 50 per cent of the first $1,500 of approved work and materials in place.

The grant is given to cover the cost of labor and materials needed to eliminate architectural barriers. The individual must live in the home and own or have a life interest in it. Remodeled bathrooms, lowered light switches, chair lifts, and ramps are all examples of work that has been completed through this program.

During the fiscal year 1988-89, 94 applicants were approved under this program.

1988-89
ACCESS-A-HOME PROGRAM

Region	Approved Applicants	Amount of Grants
1	23	$24,000
2	17	16,000
3	34	33,000
4	20	17,000
Total	94	$90,000

SMALL LOANS ASSISTANCE PROGRAM

This program provides low-interest loans for repairs, alterations, or additions to (and for completion of) a single-family home. Loans of up to $5,000 are available with a maximum repayment term of five years; up to $10,000 with a maximum repayment term of ten years; and, in the case of chattel mortgages, the term cannot exceed six years.

The program is designed for families with an adjusted income of less than $21,500 a year. The interest rate is determined by the applicant's adjusted family income.

Loans are secured by a first, second, or chattel mortgage on the property.

During the fiscal year 1988-89, 212 applicants benefitted from this program.

1988-89
SMALL LOANS ASSISTANCE PROGRAM

Region	Approved Applicants	Amount of Loans
1	60	$ 223,000
2	30	149,000
3	74	396,000
4	48	232,000
Total	212	$1,000,000

SENIOR CITIZENS ASSISTANCE PROGRAM

This program is designed to help senior citizens who wish to stay in their homes but cannot afford the necessary repairs and alterations that would make this possible.

A forgiveness loan is given for the actual cost of labor and materials to a maximum of $3,000. The loan is secured by a forgiveness loan agreement and is forgiven as long as the senior continues to own the home and live in it. If the title is transferred, the entire original loan becomes due and payable.

To qualify for the program an individual must be 65 years of age or over. They must reside in and own, be part owner, or have a life interest in the home, which must be a single family residence: detached, semi-detached, or one unit of row housing. Priority is given to applicants with a combined income of $16,000 or less.

During the 1988-89 fiscal year, 2,217 seniors received assistance under this program.

1988-89
SENIOR CITIZENS ASSISTANCE PROGRAM

Region	Approved Applicants	Amount of Grants
1	467	$1,294,000
2	472	1,317,000
3	627	1,686,000
4	651	1,702,000
Total	2,217	$5,999,000

RENT SUPPLEMENT PROGRAM

The Rent Supplement Program provides assistance for individuals to obtain affordable, adequate, and suitable housing by subsidizing rental rates in eligible rental dwellings. Under this program, assistance is available to private landlords and continuing housing co-operatives.

The assistance is based on the difference between rent paid by the rent supplement client and a market rent agreed to by the Minister of Housing in a formal agreement with the owner. Rents charged are based upon a rent-geared-to-income scale and adjusted household income and are cost-shared by Canada Mortgage and Housing Corporation in consultation with the Department of Housing.

For private landlords, a public tendering process is used in the selection of projects and units where possible. Applicants from existing waiting lists for Family Public Housing are referred from housing authorities.

During the year, 126 units were provided under this program.

NOVA SCOTIA HOME AWARDS PROGRAM

The Nova Scotia Home Awards Program was initiated in 1982 by the Nova Scotia Department of Housing as an annual awards program for the housing industry. The program allows the Department to recognize excellence and special achievements in the housing industry. These awards encourage the housing industry to continue to implement technical and design innovations in Nova Scotia. The Nova Scotia Home Awards are now presented annually as one way of supporting innovation in residential development in Nova Scotia and of increasing public awareness of the province's residential design and construction activity.

The first awards were presented for innovations in residential design. The trend toward home renovations resulted in a new category being created for the 1984 awards—Housing Renovation/Restoration. A brief description of the three current award categories follows:

Housing Unit Design. All housing types are eligible. Award nominees are considered on the basis of design innovation and excellence, cost, energy conservation, and the use of Nova Scotia products.

Housing Innovation. This award recognizes innovation in the use of materials, financing, subdivision design, or housing component design.

Housing Renovation/Restoration. In considering the award for excellence in the renovation of older housing stock, emphasis is placed on suitability to neighborhood, historical value, attention to detail, economics, and universality of application.

The competition closes in October. A jury, selected from the Nova Scotia Home Builders Association, the Nova Scotia Association of Architects, and two representatives from the Department of Housing, reviews the entries and selects the final winners. Entries are judged on a point-scoring system based on economics, historical significance, Nova Scotian content, and affordability.

RURAL AND NATIVE HOUSING PROGRAM

The Rural and Native Housing Program is designed to provide assistance to low-income families in rural areas of Nova Scotia to acquire adequate housing through either new construction or the acquisition and repair of existing units.

This program is delivered directly by Canada Mortgage and Housing Corporation through its delivery agent network throughout the province and is 100 per cent funded by CMHC for both capital construction and subsidy costs. Prior to 1986 the Province of Nova Scotia cost-shared the capital and subsidy costs for housing units constructed under the program. The Province is directly involved in the ongoing cost-sharing on the existing program portfolio built prior to 1986.

LAND ACQUISITION AND DEVELOPMENT PROGRAM

The Department's Land Acquisition and Development Program is intended to help ensure a supply of moderately priced serviced land within various communities in Nova Scotia. This program is also intended to provide moderately priced serviced building sites to private homebuilders, small and large building contractors, and commercial and institutional developers.

Sizeable subdivisions have been undertaken in the Halifax-Dartmouth metropolitan area at Cole Harbour, Lower and Middle Sackville, Spryfield, and also in Sydney, Cape Breton. In addition, a number of smaller projects have been developed at various locations throughout the province.

In the case of the large subdivisions, serviced land is designed for low- and high-density residential development as well as for commercial and institutional uses. Substantial parkland tracts are also set aside for public recreational use.

Through this program the Department of Housing undertakes the complete process from acquiring the vacant raw land through to the planning, servicing, and marketing stages.

LAND ASSEMBLY PROJECTS
TENDER AWARDS
APRIL 1/88 to MARCH 31/89

Location	Type of Work	Amount of Tender	Lots Created
Sackville/Millwood	Paving	$ 632,781	—
North Preston (5 contracts)	Servicing	470,646	—
Amherst	Servicing	101,499	21
Grants Pond	Servicing	72,665	5
Total		$1,277,591	26

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
FINANCIAL STATEMENTS
MARCH 31, 1989

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
FINANCIAL STATEMENTS
MARCH 31, 1989

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AUDITOR'S REPORT

To the Chairman and Members
of the Housing Development Board; and

To the Minister of Housing

I have examined the balance sheet of the Housing Development Fund as at March 31, 1989, and the statements of advances and recoveries, and continuity of the fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Housing Development Fund as at March 31, 1989, and the advances, recoveries and continuity of the fund for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
August 17, 1989

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
BALANCE SHEET
AS AT MARCH 31, 1989

Assets

	1989	1988
Advances for the purchase of land	$ 222,537	$ 164,119
Accounts receivable (Schedule I)	878,600	571,160
Temporary advances on behalf of the Nova Scotia Housing Development Corporation (Schedule IV)	10,673,646	11,199,738
Mortgages receivable (Schedule II) (Note 3)	64,550,736	71,252,733
Deferred charges	4,542	49,133
Investment in land and housing projects (Schedule III) (Note 2)	108,834,735	107,897,921
	$185,164,796	$191,134,804

Liabilities and Fund Balance

Liabilities		
Accounts payable (Schedule V)	$1,586,802	$170,939
Contractors' holdback payable	677,760	1,079,269
Notes payable (Schedule VI)	61,539,116	64,596,928
	63,803,678	65,847,136
Fund Balance		
Contributed surplus (Note 4)	4,000,000	4,000,000
Advances from Consolidated Fund (Authorized $154,000,000)	121,491,416	125,935,746
Less: Allowance for doubtful recoveries	4,130,298	4,648,078
Net advances	117,361,118	121,287,668
Fund balance	121,361,118	125,287,668
	$185,164,796	$191,134,804

Contingency (Note 5)
Approved on behalf of the Board:

Chairman

Deputy Minister

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
STATEMENT OF ADVANCES AND RECOVERIES
FOR THE YEAR ENDED MARCH 31, 1989

	1989	1988
Advanced to the Fund, beginning of year	$125,935,746	$125,145,516
Advances		
Public housing construction costs	307,460	1,279,781
Uniacke Square regeneration	403,972	18,776
Land servicing costs	3,233,888	6,146,834
Repayments on notes payable		
Co-operative housing	2,358,565	3,201,080
Land assembly	220,554	200,342
Public housing	129,704	119,849
Lease purchase housing	1,233,785	1,731,141
Mortgage advances		
Provincial self-help	—	87,261
Second mortgages	—	3,582,204
Small loans assistance	1,010,592	784,303
Rural and native housing	916	56,759
Interim financing—non-profit housing co-operatives	—	39,595
Apartment creation	101,043	259,558
Parent suites	204,426	115,075
Hearth home	55,298	17,535
Other	244,472	625
Temporary advances on behalf of Nova Scotia Housing Development Corporation		
Non-profit housing	7,060,638	9,795,031
Metro demonstration project	694,257	1,667,002
Provincial self-help,1986	8,597,753	11,674,424
Family benefits housing	4,825,491	6,770,333
Shell housing	2,748,177	3,731,118
Family modest housing	4,607,171	131,805
Recovery of prior year's write-offs and gains on disposal	484,650	88,400
Total Advances	38,522,812	51,498,831
	164,458,558	176,644,347

Recoveries		
Recovery from Canada Mortgage and Housing Corporation		
Public housing	$842,253	$791,548
Land servicing	207,934	253,404
Land servicing recoveries	—	8,000
Land sales	3,487,901	3,804,943
Repayments on mortgages receivable		
Provincial self-help	2,157,369	6,604,402
Co-operative housing	3,011,462	4,001,736
New home mortgage	968,584	2,002,825
Lease purchase mortgage	972,526	1,616,218
Canada-Nova Scotia home insulation and electric conversion	94,463	304,156
Small loans assistance	754,914	602,400
Rural and native housing	288,916	407,534
Interim financing—non-profit housing co-operatives	47,929	79,300
Parent suites	19,387	6,099
Apartment creation	38,919	26,957
Second mortgage	409,363	158,808
Other	—	525,537
Recovery of temporary advances from Nova Scotia Housing Development Corporation		
Non-profit housing	6,109,028	9,992,408
Metro demonstration project	741,122	1,545,315
Provincial self-help, 1986	8,339,044	10,578,766
Family benefits housing	6,388,987	4,268,234
Shell housing	3,385,470	2,469,277
Family modest housing	4,090,488	—
Write-off of doubtful accounts	611,083	660,734
Total Recoveries	42,967,142	50,708,601
Advanced to the Fund, End of Year	$121,491,416	$125,935,746

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED MARCH 31, 1989

	1989	1988
Balance, beginning of year	$154,000,000	$154,000,000
Add: Authorization for the year	—	—
Balance, end of year	$154,000,000	$154,000,000
Comprising:		
Advanced to the Fund	$121,491,416	$125,935,746
Balance unadvanced	32,508,584	28,064,254
	$154,000,000	$154,000,000

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

1. Authority

The provincial share of capital housing programs is financed through the Housing Development Fund as established by Section 20(1) of the Housing Act. These programs include the construction of lease purchase housing units, low interest loans for home construction and rehabilitation, the assembly and servicing of land, and the construction of public housing.

2. Accounting Policies

Public Housing

Public housing projects are carried at cost which includes the cost of site investigation, land, construction, administration and interest during construction.

Section 40 projects are jointly owned by Canada Mortgage and Housing Corporation and the Department of Housing. Therefore, only the Department's 25% share of costs are reflected in these financial statements. Section 43 projects are owned by the Department, and are reflected at 100% of their costs.

Amortization of Public Housing

The capital cost of public housing projects is reduced over periods of 35 to 50 years, with the amount of the annual reduction increasing over the amortization period.

The capital cost of public housing projects were reduced during the year ended March 31, 1989 by $279,424 (1988—$257,238).

Investment in Land and Land Assembly

Land and land assembly projects are carried at cost of acquisition plus servicing costs, capitalized interest charges and administrative costs where applicable. If recovery is doubtful the unrecovered capital cost is reduced by the amount of estimated losses on disposal until the net capital costs reaches a minimal value of $1.

Profit or loss on sale of land is recognized when the sale of the project is complete. Until then, land sales are carried as deferred revenue, and deducted from Investment in Land and Housing Projects.

Operating Revenues and Expenditures

The provincial share of operating expenditures related to capital programs is funded by the Department of Housing's legislative vote. Operating revenues consist primarily of interest revenue on loan programs and are credited to the revenues of the Province. Operating expenditures include administrative costs of the Fund, the Province's share of operating deficits on public housing projects, and grants and assistance associated with capital and other programs. Details of operating revenues and expenditures are reported in the Province's Public Accounts Volume 1.

3. Mortgages Receivable—Rural and Native Housing

No provision has been made in the financial statements for the Department's share of possible bad debt losses on the Rural and Native Program. Borrowers' payments under that program are substantially subsidized by Canada Mortgage and Housing Corporation and the Department of Housing. The Department's share of future payments from borrowers is not expected to be sufficient to meet the full principal balance presently outstanding. Based on past experience the Department estimates that $6 to $7 million of the present principal balance outstanding will be absorbed by way of subsidy charges over the life of the portfolio.

4. Contributed Surplus

Under the terms of the Canada/Nova Scotia Off-Shore Development Agreement $4 million has been received by the Department of Finance and recorded as contributed surplus.

5. Contingent Liability

The Department of Housing has guaranteed two loans to the Wolfville Area Interchurch Housing Society.

	Expiry Date	Maximum Loan Amount	Loan Balance March 31, 1989
20 Housing Units	Dec. 31, 2004	$ 609,000	$ 584,451
50 Housing Units	Dec. 31, 2006	$1,725,500	$1,093,819

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1989

	1989	1988
SCHEDULE I: Accounts Receivable		
Canada Mortgage and Housing Corporation	$ 178,307	$ 227,595
Municipal governments	17,364	336,956
Other	682,929	6,609
	$ 878,600	$ 571,160
SCHEDULE II: Mortgages Receivable (by Program)		
Rural and native housing (Note 3)	$11,633,236	$11,921,236
Co-operative housing	21,031,895	24,060,848
Cape Breton Association for Housing Development	19,512	28,643
Canada-Nova Scotia home insulation and electric conversion	562,715	660,345
Provincial self-help	12,365,088	14,522,457
Apartment conversion	10,203	27,531
Small loans assistance	2,038,685	1,786,567
Lease purchase mortgage	2,691,081	2,865,321
New home mortgage	8,280,642	9,249,226
Interim financing—non-profit housing co-operatives	—	47,929
Second mortgages	5,396,234	5,805,597
Apartment creation	414,930	352,806
Parent apartment	306,382	121,344
Hearth home housing—1987 program	72,833	17,535
	64,823,436	71,467,385
Less: Allowance for doubtful recoveries	272,700	214,652
	$64,550,736	$71,252,733

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1989

SCHEDULE III: Investment in Land and Housing Projects

	1989	1988
Public housing—Section 40	$ 53,194,797	$52,573,647
Public housing—Section 43	31,242,278	31,384,013
Housing for rental purposes	244,152	—
Lease purchase properties	12,761,176	12,247,380
	97,442,403	96,205,040
Land and property bank	14,009,119	13,733,032
Land assembly	43,991,019	41,801,298
Other	83,713	59,432
	58,083,851	55,593,762
Less: Land sales to date on projects in progress	43,653,090	40,241,066
Unrecovered costs	14,430,761	15,352,696
Department-owned foreclosed properties	819,169	773,611
	112,692,333	112,331,347
Less: Allowance for doubtful recoveries	3,857,598	4,433,426
	$108,834,735	$107,897,9321

SCHEDULE IV; Temporary Advances on Behalf of the Housing Development Corporation

Non-profit housing	$ 3,664,021	$ 2,493,381
Family benefits housing	2,107,288	3,691,564
Metro demonstration project	159,394	409,949
Provincial self-help, 1986	3,138,684	2,879,975
Shell housing	955,771	1,593,064
Family modest housing	648,488	131,805
	$10,673,646	$11,199,738

PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1989

	1989	1988
SCHEDULE V: Accounts Payable		
Due to Canada Mortgage and Housing Corporation		
Co-operative housing	$ 348,988	$ —
Land servicing	566,823	
	915,811	—
Due to Others		
Public housing	560,809	104,235
Land assembly	25,130	14,560
Security and land deposits	66,963	52,088
Lease purchase insurance	16,339	—
Miscellaneous	1,750	55
	670,991	170,938
	$1,586,802	$170,938
SCHEDULE VI: Notes Payable		
Canada Mortgage and Housing Corporation		
Public Housing—Section 43	$28,096,922	$28,226,627
Co-operative housing	26,921,800	29,629,354
Land assembly	6,438,540	6,652,257
	61,457,262	64,508,238
Department of Regional Economic Expansion	81,854	88,690
	$61,539,116	$64,596,928

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
MARCH 31, 1989

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
MARCH 31, 1989

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AUDITOR'S REPORT

To The Chairman and Members
of the Housing Development Board; and

To the Minister of Housing

I have examined the balance sheet of the Nova Scotia Housing Development Corporation as at March 31, 1989, and the statement of revenues and expenses for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Nova Scotia Housing Development Corporation as at March 31, 1989, and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
August 17, 1989

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
BALANCE SHEET
AS AT MARCH 31, 1989

Assets

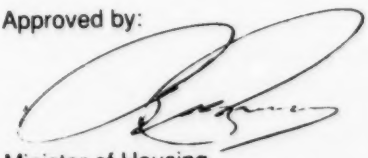
	1989	1988
Accounts receivable	$ 896	$ 1,962
Mortgages receivable (Note 5)	44,067,232	23,989,848
Fixed assets (Note 6)	38,067,074	18,393,517
Other assets		
Housing Development Corporation Fund (Note 4)	1,522,639	—
	$83,657,841	$42,385,327

Liabilities

Current Liabilities		
Accounts payable (Public non-profit housing)	$ 30,635	$ 32,357
Long-Term Liabilities		
Notes payable (Note 7) (Schedule I)	45,685,656	24,631,346
Mortgages payable (Note 8) (Schedule I)	37,941,550	17,061,099
	83,627,206	41,692,445
Other Liabilities		
Housing Development Corporation Fund (Note 4)	—	414,294
Department of Housing	—	246,231
	—	660,525
	$83,657,841	$42,385,327

Contingency (Note 9)

Approved by:



Minister of Housing

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1989

	1989	1988
Interest Revenue		
Self-help program	$2,078,738	$1,235,464
Family benefits program	924,962	383,092
Shell housing program	426,359	133,217
Public non-profit housing program	2,179,325	1,061,633
Halifax-Dartmouth metro area demonstration program projects	117,013	34,086
Housing Development Corporation Fund	96,364	29,094
Family modest housing	115,475	—
Nova Scotia Youth Centre, Waterville	230,571	—
Total revenues	6,168,807	2,876,586
Interest expense		
Self-help program	2,133,908	1,300,639
Family benefits program	885,789	326,816
Shell housing program	426,460	117,441
Public non-profit housing program	2,179,325	1,061,472
Halifax-Dartmouth metro area demonstration program projects	117,013	34,086
Family modest housing	105,374	—
Nova Scotia Youth Centre, Waterville	230,571	—
	6,078,440	2,840,454
Other expense		
Administration fee (Note 3)	84,268	34,332
Legal fees	1,750	1,800
Proposal call, advertising	1,349	—
Audit fees	3,000	—
Total expenses	6,168,807	2,876,586
Excess of Revenues over Expenses (Note 3)	$ —	$ —

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

1. Authority

On June 17, 1986 the Nova Scotia Housing Development Corporation Act established the Nova Scotia Housing Development Corporation. The purpose of the Corporation is to provide long-term mortgage financing through outside lenders for the Public Non-Profit Housing program, and the home ownership Programs of the Department of Housing, and loan guarantees for housing purposes.

2. Accounting Policies

Public Non-Profit Housing

Public Non-Profit Housing projects are carried at cost, which includes the cost of site investigation, land, construction, administration and interest during construction.

Amortization of Public Non-Profit Housing

The capital cost of Public Non-Profit housing projects is reduced each year by the amount of the principal repaid on the related mortgage financing the project. Mortgages are obtained for periods of 35 years. The principal portion of mortgage repayments increases as the mortgages approach maturity.

The capital cost of Public Non-Profit Housing projects and the related mortgages payable were reduced during the year ended March 31, 1989 by $58,582 (1988—$26,400).

3. Administration and Management

The administration and management of the Nova Scotia Housing Development Corporation is carried out by the staff of the Department of Housing. The Corporation will pay an administration fee to the Department to the extent that the interest revenues earned by the Corporation exceed the expenses and net interest costs in any year.

4. Housing Development Corporation Fund

To provide working capital for the Nova Scotia Housing Development Corporation, the Housing Development Corporation Fund was established by Order-in-Council. The Fund is set up as a revolving account which records all receipts and expenditures and allows the Corporation to borrow up to $500,000.

At March 31, 1989 the Housing Development Corporation Fund owed the Nova Scotia Housing Development Corporation $1,522,639. At March 31, 1988 the Nova Scotia Housing Development Corporation owed $414,294 to the Housing Development Corporation Fund.

5. Mortgages Receivable

Interim financing for the Department of Housing's home ownership programs is provided by the Province, and the long-term financing is provided by the Nova Scotia Housing Development Corporation. When loan repayment begins, the Department assigns the mortgages to the Corporation. The Corporation assigns the mortgages to a private lender as security for a 25-year loan. The proceeds of the loan are given to the Province to repay the interim financing. The mortgages receivable, by program, are as follows:

	1989	1988
Self-help housing	$23,523,222	$16,871,126
Family benefits housing	10,780,271	4,567,308
Shell housing	5,640,481	2,551,414
Family modest housing	4,123,258	—
	$44,067,232	$23,989,848

6. Fixed Assets

Interim financing for the Public Non-Profit Housing and the Halifax-Dartmouth Metro Area Demonstration Program Projects is provided by the Province through the Department of Housing. When the projects are complete, title is deeded by the Department to the Corporation. The Corporation mortgages the project to a private lender as security for a 35-year loan. The proceeds of the loan are given to the Province to repay the interim financing. Family Benefits Rental Units and Foreclosed Properties Owned are financed on the same basis as the Mortgages Receivable by a 25 year-loan. The Nova Scotia Youth Centre, Waterville, is financed by a 20-year loan. Fixed assets, by program, are as follows:

	1989	1988
Public Non-Profit Housing		
Senior citizens units	$13,152,948	$9,726,209
Family units	9,935,862	6,906,474
	23,088,810	16,632,683
Halifax-Dartmouth metro area demonstration program projects	1,263,435	734,730
Family benefits rental units	873,264	880,536
Forclosed properties owned	171,435	145,568
Nova Scotia Youth Centre, Waterville	12,670,130	—
	$38,067,074	$18,393,517

7. Notes Payable

The long-term financing of mortgages receivable is secured by promissory notes, assignment of mortgages and a loan agreement. Notes payable, by program, are as follows:

	1989	1988
Self-help housing	$24,824,680	$17,478,883
Family benefits housing	10,769,775	4,599,220
Shell housing	5,903,800	2,553,243
Family modest housing	4,187,401	—
	$45,685,656	$24,631,346

The loans received by the Nova Scotia Housing Development Corporation from approved lenders for the Home Ownership Programs are insured under the Province's Mortgage Insurance Fund.

8. Mortgages Payable

The long-term financing of the Public Non-Profit, Halifax-Dartmouth Metro Area Demonstration Program Projects and the Family Benefits Rental Units is secured by 35-year first mortgages. The Nova Scotia Youth Centre is secured by a 20-year first mortgage. The mortgages payable, by program, are as follows:

	1989	1988
Public Non-Profit Housing		
Senior citizens units	$13,198,539	$9,336,897
Family units	9,945,733	6,119,004
	23,144,272	15,455,901
Halifax-Dartmouth metro area demonstration program projects	1,253,884	724,662
Family benefits rental units	873,264	880,536
Nova Scotia Youth Centre Waterville	12,670,130	—
	$37,941,550	$17,061,099

In 1986 the Province entered into a new Federal/Provincial Operating Agreement on Social Housing. Under the new Operating Agreement, Canada Mortgage and Housing Corporation agrees to insure loans received by the Nova Scotia Housing Development Corporation from approved lenders for capital financing of Public Non-Profit Housing projects.

9. Contingent Liability

The Nova Scotia Housing Development Corporation has guaranteed the following loans:

	Expiry Date	Maximum Loan Amount	Loan Balance Mar. 31/89
Harbour City Homes 67 units	Dec. 17, 2007	$1,955,000	$1,947,130
Association of Women's Residential Facilities 15 units	Oct. 20, 2007	250,000	196,036
Interchurch Housing Society 25 units	Jul. 20, 2002	1,225,000	934,536
Interchurch Housing Society 19 units	May 24, 2014	1,000,000	661,373
Private Sector Second Mortgage 300 units	Various	5,175,000	3,607,690

Contingent Liability (continued)

	Expiry Date	Maximum Loan Amount	Loan Balance Mar. 31/89
Victims of Family Violence Association Leasehold improvements	Dec. 1, 1998	50,750	49,736
Church Members Assembled to respond to AIDS; Residence for AIDS victims	Dec. 1, 2013	101,500	101,128
Hope Farm Society 3 units	Feb. 1, 2014	191,328	191,072
Gateway Homes Incorporated			
Transition house	Jan. 1, 2014	102,348	102,027
Transition house	Apr. 1, 2014	145,038	145,038
Shiretown Nursing Home Incorporated — Edward Mortimer Place	May 1, 2013	776,250	773,885
			$8,709,651

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION
SCHEDULES SUPPORTING BALANCE SHEET
AS AT MARCH 31, 1989

SCHEDULE 1: LONG-TERM LIABILITIES

Notes Payable	No. of Years Amortization	Due Date	Interest Rate	Balance March 31, 1989
Metropolitan Trust	25	Mar. 1, 1998	11.125	$23,455,720
" "	25	Jun. 1, 1998	11.275	1,391,421
" "	25	Jul. 1, 1998	11.275	1,491,525
" "	25	Aug. 1, 1998	11.795	1,830,410
" "	25	Sep. 1, 1998	11.875	1,190,202
" "	25	Dec. 1, 1998	11.500	3,491,260
" "	25	Jan. 1, 1999	11.875	3,193,993
" "	25	Jan. 1, 1999	11.375	1,994,809
" "	25	Feb. 1, 1999	11.500	6,146,317
" "	25	Apr. 1, 1999	12.125	1,499,999
Total Notes Payable				$45,685,656
Mortgages Payable				
Metropolitan Trust	35	Nov. 1, 1996	11.125	860,691
" "	35	Dec. 1, 1996	11.125	1,742,603
" "	35	Jan. 1, 1997	11.125	1,216,535
" "	35	Feb. 1, 1997	11.125	1,947,037
" "	35	Mar. 1, 1997	11.125	181,130
" "	35	Apr. 1, 1997	11.125	451,771
" "	35	May 1, 1997	11.125	859,950
" "	35	Jul. 1, 1997	11.125	622,433
" "	35	Sep. 1, 1997	11.125	1,119,521
" "	35	Sep. 1, 1997	10.500	246,803
" "	35	Sep. 1, 1997	11.375	100,836
" "	35	Oct. 1, 1997	11.125	1,080,505
" "	35	Nov. 1, 1997	10.500	171,810
" "	35	Nov. 1, 1997	11.375	53,091
" "	35	Dec. 1, 1997	11.125	70,483
" "	35	Jan. 1, 1998	10.500	1,027,824
" "	35	Jan. 1, 1998	11.375	1,143,862
" "	35	Jan. 1, 1998	11.125	412,811
" "	35	Feb. 1, 1998	11.125	228,870
" "	35	Feb. 1, 1998	11.375	138,164
" "	35	Mar. 1, 1998	10.500	972,539

Schedule I: Long-Term Liabilities (continued)

Notes Payable	No. of Years Amortization	Due Date	Interest Rate	Balance March 31, 1989
Metropolitan Trust	35	Mar. 1, 1998	11.375	1,426,022
" "	35	Mar. 1, 1998	11.125	58,218
" "	35	Mar. 1, 1998	11.125	873,264
" "	35	Apr. 1, 1998	11.375	1,510,194
" "	35	May 1, 1998	11.375	94,784
" "	35	Jun. 1, 1998	11.375	1,184,689
" "	35	Jun. 1, 1998	12.000	71,874
" "	35	Jul. 1, 1998	11.375	1,047,071
" "	35	Jul. 1, 1998	11.125	401,053
" "	35	Sep. 1, 1998	12.000	255,414
" "	35	Nov. 1, 1998	12.250	905,437
" "	35	Nov. 1, 1998	12.000	226,291
Royal Bank of Canada	35	Nov. 1, 1998	11.125	120,294
Metropolitan Trust	35	Dec. 1, 1998	12.250	140,798
" "	35	Dec. 1, 1998	11.125	130,190
" "	35	Jan. 1, 1999	12.000	811,397
" "	35	Feb. 1, 1999	12.250	244,176
Royal Bank of Canada	35	Feb. 1, 1999	11.125	287,819
"	35	Mar. 1, 1999	11.125	833,166
"	35	Feb. 1, 2009	11.150	12,670,130
Total Mortgages Payable				37,941,550
Total Long-Term Liabilities				$83,627,206

Department of Housing Regional Offices